

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2008-16-C

In Re:)	
Application of Kentucky Data Link, Inc.)	
for a Certificate of Public Convenience)	
and Necessity to Provide Resold and)	SETTLEMENT AGREEMENT
Facilities-Based Local Exchange and)	
Interexchange Telecommunications)	
Services in the State of South Carolina)	

This Settlement Agreement (“Settlement Agreement”) is made by and among the Office of Regulatory Staff (“ORS”) and Kentucky Data Link, Inc. (“Kentucky Data Link” or “the Company”) (collectively referred to as the “Parties” or sometimes individually as “Party”);

WHEREAS, on January 11, 2008, Kentucky Data Link filed its Application requesting (i) a Certificate of Public Convenience and Necessity be granted authorizing Kentucky Data Link to provide resold and facilities-based local exchange and interexchange telecommunications services throughout the State of South Carolina; (ii) alternative regulation of its interexchange services, pursuant to S.C. Code Ann. § 58-9-585; (iii) flexible regulation for its local exchange telecommunications services consistent with Order No. 98-165 in Docket No. 97-467-C; (iv) waiver of certain regulations of the Public Service Commission of South Carolina (“Commission”), specifically Regulations 103-610 regarding location of records, 103-612.2.3 for operating maps and 103-631 concerning publishing and distributing local exchange directories; and (v) a waiver of any requirement to maintain financial records in conformance with the Uniform System of Accounts (“ASOA”);

WHEREAS on January 14, 2008, the Commission issued a Notice of Filing and Hearing and established a return date of February 14, 2008 , for the filing of letters of protest or petitions to intervene and established a hearing date of April 14, 2008 for the application to be heard before a hearing examiner;

WHEREAS, on February 14, 2008, the South Carolina Telephone Coalition ("SCTC") filed a Petition to Intervene in this docket;

WHEREAS, on January 28, 2008, the Commission issued its Order No. 2008-52 by which the Commission appointed David Butler, Esquire as the Hearing Examiner in this matter;

WHEREAS, on April 1, 2008, the SCTC filed with the Commission a Stipulation between the SCTC and Kentucky Data Link;

WHEREAS, on March 3, 2008, Kentucky Data Link pre-filed the direct testimony of John C. Greenbank with the Commission;

WHEREAS, the purpose of this proceeding is to review the application filed by Kentucky Data Link and its requests (i) for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the State of South Carolina; (ii) for alternative regulation of its interexchange services (iii) for flexible regulation for its local exchange telecommunications services (iv) for waiver of certain of the Commission Regulations, specifically Regulations 103-610 regarding location of records, 103-612.2.3 for operating maps and 103-631 concerning publishing and distributing local exchange directories; and (v) for waiver of any requirement to maintain financial records in conformance with the USOA;

WHEREAS, since the filing of the notice, ORS has conducted a review of the technical, managerial, and financial expertise of Kentucky Data Link to provide the services requested in the Application;

WHEREAS, ORS has reviewed the Application and the financial data provided by Kentucky Data Link, and ORS has calculated certain performance ratios based upon information provided by the Kentucky Data Link;

WHEREAS, ORS has investigated the services to be offered by Kentucky Data Link and its intended customer service plans;

WHEREAS, ORS has reviewed the proposed tariffs submitted by Kentucky Data Link;

WHEREAS, ORS has reviewed the pre-filed testimony of John C. Greenbank;

WHEREAS, as a result of its investigations, ORS has determined (a) Kentucky Data Link intends to offer resold and facilities-based local and long-distance telecommunications services, and will provide leased capacity, private line, and dedicated local transport; (b) the officers of Kentucky Data Link possess sufficient technical and managerial abilities to adequately provide the services applied for; (c) based upon the information provided and the analysis performed, Kentucky Data Link appears to have access to sufficient financial resources necessary to provide the services proposed in its application; (d) Kentucky Data Link's proposed tariffs with the amendments as agreed to in this Settlement Agreement comply with Commission statutes and regulations; (e) the provision of services by Kentucky Data Link will not adversely impact the availability of affordable telecommunications services; (f) to the extent it is required to do so by the Commission, Kentucky Data Link will participate in the support of universally available telephone service at affordable rates; and (g) the provision of local exchange and interexchange services by Kentucky Data Link will not adversely impact the public interest;

WHEREAS, to ensure compliance with the Commission's statutes and regulations, the Parties have agreed to the following comprehensive settlement of all issues in this docket;

WHEREFORE, in the spirit of compromise, the Parties hereby stipulate and agree to the following terms and conditions:

1) The Parties agree that Kentucky Data Link's Application and exhibits to the Application are incorporated into this Settlement Agreement and made a part hereof;

2) The Parties agree to stipulate into the record before the Commission this Settlement Agreement. The Parties also agree to stipulate to the pre-filed testimony of Kentucky Data Link's witness John C. Greenbank without cross-examination by ORS;

3) Kentucky Data Link has submitted financial data, which was provided as Exhibit 4 to Kentucky Data Link's Application and which was granted Protective Treatment by Commission Hearing Examiner Directive dated February 8, 2008 and which financial data is incorporated by reference;

4) The Parties agree that Kentucky Data Link should be granted a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services within the state of South Carolina;

5) Kentucky Data Link has requested a waiver of 26 S.C. Code Ann. Regulation 103-610 concerning the location of books and records. However, S.C. Code Ann. §58-9-380 (Supp. 2006) provides that:

Each telephone utility shall have an office in one of the counties of this State in which its property or some part thereof is located and shall keep in such office all such books, accounts, papers and records as shall reasonably be required by the Office of Regulatory Staff. No books, accounts, papers or records required by the ORS to be kept within the State shall be removed at any time from the State except upon such conditions as may be prescribed by the Office of Regulatory Staff.

ORS is agreeable to allowing Kentucky Data Link to maintain its books and records outside of the State of South Carolina in exchange for Kentucky Data Link agreeing to provide ORS access to its books and records. ORS is agreeable to Kentucky Data Link maintaining its books and records at its offices in the State of Kansas, and Kentucky Data Link agrees to notify ORS of any change in the location of the principal office or in the location where the books and records are maintained. This provision of the Settlement Agreement shall not be construed as a waiver by ORS of S.C. Code Ann. § 58-4-55 (Supp. 2006) or § 58-9-1070 (Supp. 2006). ORS expressly reserves its rights to require the production of books, records and other information located within or outside of the State of South Carolina in order to carry out its duties in compliance with any state or federal regulation;

6) ORS does not oppose Kentucky Data Link's request for waiver of 26 S.C. Code Ann. Regulation 103-631 which requires the publication and distribution of directories, and Kentucky Data Link agrees to make arrangements with publishers of local directories in South Carolina to include the names and telephone numbers of Kentucky Data Link's subscribers and customers in local directories, unless a subscriber indicates his/her desire for an unpublished telephone number;

7) Kentucky Data Link has requested a waiver of any rule or regulation that might require a carrier to maintain its financial records in conformance with the Uniform System of Accounts ("USOA"). Kentucky Data Link acknowledges that S.C. Code Ann. § 58-9-340 (Supp. 2006) provides that the ORS may, in its discretion and subject to the approval of the Commission, prescribe systems of accounts to be kept by telephone utilities subject to the commission's jurisdiction and that the ORS may prescribe the manner in which the accounts shall be kept and may require every telephone utility to keep its books, papers, and records

accurately and faithfully according to the system of accounts as prescribed by the ORS. Kentucky Data Link agrees to keep its books, papers, and records in such a manner that permits ORS to audit its revenues and expenses for compliance with programs such as but not limited to the Universal Service Fund ("USF") and the Interim LEC Fund, dual party relay service fund, and gross receipts. Kentucky Data Link agrees to complete the reporting forms for such programs as may be required by the ORS of telecommunications companies certificated to operate within South Carolina and as the reporting forms may be amended from time to time;

8) ORS does not oppose the Company's request for waiver of 26 S.C. Code Ann. Regulation 103-612.2.3 which requires the filing of operating area maps;

9) ORS does not oppose Kentucky Data Link's requests (a) for flexible regulation for its local telecommunications service offerings consistent with Order No. 98-165 in Docket No. 97-467-C, such flexible regulation including specifically (i) adoption of a competitive rate structure incorporating maximum rate levels with the flexibility for rate adjustment below the maximum rate levels and (ii) presumptively valid tariff filings upon filing subject to an investigation of such tariff filing being instituted within thirty (30) days and (b) for alternative regulation of its interexchange service offerings consistent with the procedures described and set forth in Orders 95-1734 and 96-55 in Docket No. 96-661-C as modified by Order No. 2001-997 in Docket No. 2000-407-C, specifically (i) regulation of these services listed above in the same manner as these services are regulated of AT&T Communications of the Southern States, Inc., (ii) removal of the maximum rate tariff requirements for Kentucky Data Link's business services, private line, and customer network-type offerings, except in instances governed by Order No. 2001-997 which reinstituted maximum rates for surcharges and rates associated with certain intrastate operator-assisted calls; (iii) presumptively valid tariff filings for these interexchange

services unless an investigation of a particular filing is instituted within seven (7) days, in which case the tariff filing will be suspended until resolution of the investigation or until further order of the Commission; and (iv) grant Kentucky Data Link the same treatment as AT&T Communications of the Southern States, Inc. in connection with any future relaxation of reporting requirements;

10) Kentucky Data Link agrees to resell the services only of those local exchange providers or interexchange carriers authorized to do business in South Carolina by the Commission;

11) Kentucky Data Link agrees that it will allow an end-user of resold services to access an alternative interexchange carrier or operator service provider if the end-user expresses such a desire;

12) Kentucky Data Link agrees to file necessary financial information with the Commission and ORS for universal service fund reporting, dual party relay service fund reporting, interim LEC fund reporting, annual reporting, gross receipts reporting, and/or any other reporting which may now or in the future be applicable to telecommunications providers such as Kentucky Data Link. The Parties agree that such reports shall be filed pursuant to ORS' instructions and monies shall be remitted in accordance with the directions of the ORS and the Commission.

13) Kentucky Data Link agrees to maintain its books and records in a manner that would permit ORS to examine any of Kentucky Data Link's reports filed with the Commission and provided to ORS.

14) Kentucky Data Link agrees to file with the Commission and ORS a completed authorized utility representative forms within thirty (30) days of the Commission's order.

15) In the event that Kentucky Data Link offers prepaid calling card services in the future, Kentucky Data Link agrees that it shall obtain Commission approval and post a surety bond in the amount of \$5,000 as required by the Commission;

16) In the event that Kentucky Data Link offers local and long distance services to end users, Kentucky Data Link agrees to comply with the verification regulations governing change of preferred carriers as established by Federal Communications Commission ("FCC"). In addition, in the event that Kentucky Data Link offers local and long distance services to end users, Kentucky Data Link agrees to comply with the marketing practices and guidelines established by the Commission in Order No. 95-658;

17) Kentucky Data Link agrees to comply with South Carolina Code Section § 58-9-300 entitled "Abandonment of Service." Additionally, to the extent applicable, Kentucky Data Link agrees to adhere to the FCC's rule 47 C.F.R. § 64.1190 and 64.1130 regarding preferred carrier freezes and the requirement that the form of the written authorization for the institution of the freeze be a separate or easily separable document. Prior to abandonment of service, Kentucky Data Link shall remove any preferred carrier freeze so as to enable consumers to seamlessly transfer their telephone numbers to another provider;

18) To the extent necessary, Kentucky Data Link agrees to engage in good faith negotiations with non-BellSouth incumbent local exchange carriers whose networks interconnect with BellSouth at the same local tandem regarding traffic exchange;

19) It is understood and agreed that Kentucky Data Link will not initially offer or provide any service that would implicate Title 23, Chapter 47 of the South Carolina Code Annotated regarding "Public Safety Communications Centers," but in the event that Kentucky Data Link in the future offers or provides a service to which Title 23, Chapter 47 of the South

Carolina Code regarding “Public Safety Communications Centers,” also known as 911 services, Kentucky Data Link agrees to comply with Title 23, Chapter 47 of the South Carolina Code Annotated, which governs the establishment and implementation of a “Public Safety Communications Center,” also known as 911 services.” At that time, Kentucky Data Link agrees to contact the appropriate authorities regarding 911 services in the counties and cities where Kentucky Data Link will be operating prior to initiating local service in South Carolina and shall provide the 911 coordinator in each county and/or city with information regarding Kentucky Data Link’s operations. Attached as Exhibit 1 to this Settlement Agreement is a memorandum from the State 911 Office which provides contact information for the County 911 Coordinators;

20) Kentucky Data Link agrees to comply with all rules and regulations of the Commission unless the Commission has expressly waived such rule or regulation;

21) Kentucky Data Link agrees to file a final revised tariff with both the ORS and the Commission and the revised tariff shall reflect and be in accordance with ORS’ recommendations as set forth in the summary attached as Exhibit 2 to this Settlement Agreement.

22) ORS is charged by law with the duty to represent the public interest of South Carolina pursuant to S.C. Code § 58-4-10 (B). S.C. Code § 58-4-10(B)(1) through (3) read in part as follows:

...’public interest’ means a balancing of the following:

- (1) concerns of the using and consuming public with respect to public utility services, regardless of the class of customer;
- (2) economic development and job attraction and retention in South Carolina; and

(3) preservation of the financial integrity of the State's public utilities and continued investment in and maintenance of utility facilities so as to provide reliable and high quality utility services.

ORS believes the Settlement Agreement reached among the Parties serves the public interest as defined above;

23) The Parties agree to advocate that the Commission accept and approve this Settlement Agreement in its entirety as a fair, reasonable and full resolution of all issues in the above-captioned proceeding and that the Commission take no action inconsistent with its adoption. The Parties further agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

24) The Parties agree that signing this Settlement Agreement will not constrain, inhibit, impair or prejudice their arguments or positions held in other collateral proceedings, nor will it constitute a precedent or evidence of acceptable practice in future proceedings. If the Commission declines to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement in its entirety without penalty or obligation.

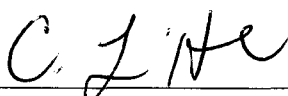
25) This Settlement Agreement shall be interpreted according to South Carolina law.

26) The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by affixing its signature or by authorizing counsel to affix his or her signature to this document where indicated below. Counsel's signature represents his or her representation that his or her client has authorized the execution of the agreement. Facsimile signatures and email

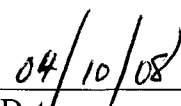
signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the original signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement. The Parties agree that in the event any Party should fail to indicate its consent to this Settlement Agreement and the terms contained herein, then this Settlement Agreement shall be null and void and will not be binding on any Party.

WE AGREE:

Representing the Office of Regulatory Staff



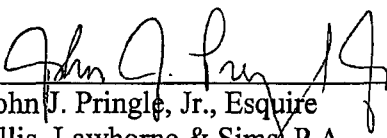
C. Lessie Hammonds, Esquire
Office of Regulatory Staff
1441 Main Street, Suite 300
Columbia, SC 29201
Telephone: (803) 737-0803
Fax: (803) 737-0895
Email: lhammon@regstaff.sc.gov



Date

WE AGREE:

Representing Kentucky Data Link, Inc.



John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.

1501 Main Street
Post Office Box 2285
Columbia, SC 29202
Telephone: (803) 343-1270
Fax: (803) 799-8479
jpringle@ellislawhorne.com

4/10/08

Date

EXHIBIT 1

STATE OF SOUTH CAROLINA
State Budget and Control Board
OFFICE OF RESEARCH & STATISTICS

MARK SANFORD, CHAIRMAN
GOVERNOR

GRADY L. PATTERSON, JR.
STATE TREASURER

RICHARD ECKSTROM
COMPTROLLER GENERAL



HUGH K. LEATHERMAN, SR.
CHAIRMAN, SENATE FINANCE COMMITTEE

ROBERT W. HARRELL, JR.
CHAIRMAN, WAYS AND MEANS COMMITTEE

FRANK W. FUSCO
EXECUTIVE DIRECTOR

REMBERT C. DENNIS BUILDING
1000 ASSEMBLY STREET, SUITE 425
COLUMBIA, SOUTH CAROLINA 29201

Bobby Bowers
DIRECTOR

August 2, 2004

To: Telephone Companies New to South Carolina

In an effort to continue providing quality emergency services to the citizens of South Carolina, the State 911 Office requests that before beginning telephone services in a county, you contact the 911 Coordinator in that county. This will allow both parties to obtain important information about providing 911 services in that county. If you have already begun services, then contact the coordinator as soon as possible.

A list of County 911 Coordinators can be found on the South Carolina E911 homepage at www.ors.state.sc.us/digital/E-911.ASP. If you have any questions related to 911 in South Carolina, you may contact E911 Coordinations at the Office of Research and Statistics at 803-734-3883. The person responsible for this can also be found on the 911 homepage. Please be aware that some cities may have their own E911 systems, these are also listed on the 911 homepage. These city coordinators will need to be contacted in addition to the county coordinators.

ECONOMIC RESEARCH
WILLIAM GILLESPIE
(803) 734-3805

GEODETIC SURVEY
5 GEOLOGY ROAD
COLUMBIA, S.C. 29210
LEWIS LAPINE
(803) 896-7700

DIGITAL CARTOGRAPHY
(803) 734-3802

HEALTH & DEMOGRAPHICS
STATISTICS
1919 BLANDING STREET
COLUMBIA, S.C. 29201
WALTER P. BAILEY, M.P.H.
(803) 898-9941

Exhibit 2

Recommendations for Kentucky Data Link, Inc. South Carolina Tariff No. 1 Local Exchange Services

Original Page 1—The Company should include a contact phone number or e-mail address (adding number or email to the footer will be sufficient)

Original Page 2—The Check Sheet shows pages 1-57. However, there are 59 pages in the Local Exchange Services Tariff.

Section 1

--There are no recommended changes for Section 1.

Section 2—Definitions

Original Page 7—The Company should add the following language to the end of the definition for “ICB or Individual Case Basis”—“All ICB’s will be made available to the ORS upon request.”

Original Page 7—The Company should add the following definition—“ORS The South Carolina Office of Regulatory Staff.”

Section 3—Application of Tariff

--There are no recommended changes for Section 3.

Section 4—Regulations

Original Page 10 4.1.4.C—The Company should add the following language to the end of the paragraph—“All adjustment in Customer billing will conform to SC Reg. 103-622.”

Original Page 21 4.5.2.A—The Company should delete the paragraph and replace with language that conforms to SC Reg. 103-621. Sample Language is as follows—
“The Company may require from any customer or prospective customer, a deposit intended to guarantee payment of bills for regulated service if any of the following conditions exist: 1) the customer has had two 30-day arrearages in the past 24 months, or the customer has been sent two or more late payment notices in the past 9 months; or 2) A new customer cannot furnish either an acceptable co-signor or guarantor who is a customer of the utility with the State of South Carolina to guarantee payment; or 3) the customer’s gross monthly billing increases; or 4) A customer has had his service terminated by any telephone utility for non-payment or fraudulent use; or 5) the utility determines, through use of commercially acceptable methods, that the customer’s credit

and financial condition so warrants. For a new customer, a maximum deposit may be required up to an amount equal to an estimated two (2) months (60 days) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six (6) months.”

Original Page 22 4.5.2.D—The Company should modify the paragraph to conform to SC Reg 103-621.3. **Sample Language is as follows**—“Interest on the deposit shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned. If the Company does not return a Customer’s deposit after twelve (12) months, the Company shall provide the Customer with the reasons the deposit is being retained if the Customer so requests.”

Original Page 23 4.5.2.E—The Company should delete in its entirety letter “E”.

Original Page 24 4.5.2.I—The Company should include the following language at the end of the paragraph—“All adjustment of customer billing will conform to SC Reg. 103-623.”

Original Page 25 4.6.1.A—The Company should add the following language to the end of the paragraph—“All such charges will appear as separate line items on the customer’s bill.”

Original Page 26 4.6.2.F—The Company should modify the sentence as follows—“The Customer will be assessed a charge for each check that is submitted by the Customer to the Company that a financial institution refuses to honor. Such charge will be no more than allowed by SC Code Ann. 34-11-70.”

Original Page 29 4.6.3.D.2—The Company should modify complaint address as follows—

**South Carolina Office of Regulatory Staff
Consumer Services Division
1441 Main Street, Suite 300
Columbia, SC 29201
(803) 737-5230
1-800-922-1531 (toll free)**

Original Page 30 4.6.4.A.1—The Company should modify the paragraph as follows—“For failure of the Customer to pay a bill for Company service when due. Service will be terminated only Monday through Thursday between the hours of 8:00 am and 4:00 pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg 103-633).

Section 5—Service Descriptions

Original Page 48 5.3.11—The Company includes the following language in this paragraph—“This package is available for all customers who reside in one of the exchanges listed in Section 5.10.”---The Company does not include a Section 5.10 in this tariff.

Original Page 50 5.4.4—The last paragraph should be modified as follows—“In these cases, the Customer will be billed additional charges computed on an ICB. Any Special Service Arrangements between the Customer and the Company will be provided to the ORS upon request.”

Original Page 52 5.7.1—The Company should modify the paragraph to reflect that Special Pricing arrangements need not be filed with the Commission but are made available to the ORS upon request.

Original Page 52 5.8.1—The Company should add the following language to the end of the sentence—“All such taxes will appear as separate line items on the customer’s bill.”

Original Page 53 5.9—The Company should modify the paragraph as follows—“Such promotional service offerings will be filed with the Commission for approval with copies provided to the ORS, subject to the requirements of applicable law.”

Section 6—Rates and Charges

Original Page 56 6.5.1.1—The Company should include maximum as well as current rates for Local Distribution Channel and Interoffice Channel (both for Monthly and NRC).

Original Page 56 6.5.1.2—The Company should include maximum as well as current rates for Local Distribution Channel, Multiplexing Mux Ports, and Interoffice Channel (both for Monthly and NRC).

Original Page 59 6.5.3.2—The Company should include maximum as well as current rates for Premier Business Package (for 12 month, 24 month, and NRC)

Additional Recommendations for Local Exchange Tariff

- 1) The Company should include language as it relates to Marketing Practices (SC PSC Order 95-658).

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in

South Carolina, and the Company will comply with those marketing procedures, in any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina. (Commission Order 95-658)

- 2) **If the Company charges any installation, connection, or maintenance charges, termination charges, etc. (in addition to the services listed in the tariff). These additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.**
- 3) **The Company is applying for Flexible Regulation. Therefore, The Company will include maximum rates as well as current rates for all services within the Local Exchange Tariff that are not exclusively ICB.**
- 4) **The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).**

Recommendations for Kentucky Data Link, Inc. South Carolina Tariff No. 2
Interexchange Services

Original Page 1—The Company should include a contact phone number or e-mail address (adding number or email to the footer will be sufficient)

Original Page 2—The Check Sheet shows pages 1-57. However, there are only 54 pages in the Interexchange Services Tariff.

Section 1

--There are no recommended changes for Section 1.

Section 2—Definitions

Original Page 7—The Company should add the following language to the end of the definition for “ICB or Individual Case Basis”—“All ICB’s will be made available to the ORS upon request.”

Original Page 7—The Company should add the following definition—“ORS The South Carolina Office of Regulatory Staff.”

Section 3—Application of Tariff

--There are no recommended changes for Section 3.

Section 4—Regulations

Original Page 10 4.1.4.C—The Company should add the following language to the end of the paragraph—“All adjustment in Customer billing will conform to SC Reg. 103-622.”

Original Page 21 4.5.2.A—The Company should delete the paragraph and replace with language that conforms to SC Reg. 103-621. Sample Language is as follows—“The Company may require from any customer or prospective customer, a deposit intended to guarantee payment of bills for regulated service if any of the following conditions exist: 1) the customer has had two 30-day arrearages in the past 24 months, or the customer has been sent two or more late payment notices in the past 9 months; or 2) A new customer cannot furnish either an acceptable co-signor or guarantor who is a customer of the utility with the State of South Carolina to guarantee payment; or 3) the customer’s gross monthly billing increases; or 4) A customer has had his service terminated by any telephone utility for non-payment or fraudulent use; or 5) the utility determines, through use of commercially acceptable methods, that the customer’s credit and financial condition so warrants. For a new customer, a maximum deposit may be required up to an amount equal to an estimated two (2) months (60 days) total bill (including toll and taxes). For an existing customer, a maximum deposit may be required up to an amount equal to the total actual bills of the highest two (2) consecutive months within the preceding six (6) months.”

Original Page 22 4.5.2.D—The Company should modify the paragraph to conform to SC Reg 103-621.3. Sample Language is as follows—“Interest on the deposit shall be accrued annually and payment of such interest shall be made to the customer at least every two (2) years and at the time the deposit is returned. If the Company does not return a Customer’s deposit after twelve (12) months, the Company shall provide the Customer with the reasons the deposit is being retained if the Customer so requests.”

Original Page 23 4.5.2.E—The Company should delete in its entirety letter “E”.

Original Page 24 4.5.2.I—The Company should include the following language at the end of the paragraph—“All adjustment of customer billing will conform to SC Reg. 103-623.”

Original Page 25 4.6.1.A—The Company should add the following language to the end of the paragraph—“All such charges will appear as separate line items on the customer’s bill.”

Original Page 26 4.6.2.F—The Company should modify the sentence as follows—“The Customer will be assessed a charge for each check that is submitted by the Customer to the Company that a financial institution refuses to honor. Such charge will be no more than allowed by SC Code Ann. 34-11-70.”

Original Page 29 4.6.3.D.2—The Company should modify complaint address as follows—

**South Carolina Office of Regulatory Staff
Consumer Services Division
1441 Main Street, Suite 300
Columbia, SC 29201
(803) 737-5230
1-800-922-1531 (toll free)**

Original Page 30 4.6.4.A.1—The Company should modify the paragraph as follows—“For failure of the Customer to pay a bill for Company service when due. Service will be terminated only Monday through Thursday between the hours of 8:00 am and 4:00 pm, unless provisions have been made to have someone available to accept payment and reconnect service.” (SC Reg 103-633).

Section 5—Service Descriptions

Original Page 49 5.4.4—The last paragraph should be modified as follows—“In these cases, the Customer will be billed additional charges computed on an ICB. Any Special Service Arrangements between the Customer and the Company will be provided to the ORS upon request.”

Original Page 51 5.7.1—The Company should modify the paragraph to reflect that Special Pricing arrangements need not be filed with the Commission but are made available to the ORS upon request.

Original Page 51 5.8.1—The Company should add the following language to the end of the sentence—“All such taxes will appear as separate line items on the customer’s bill.”

Original Page 52 5.9—The Company should modify the paragraph as follows—“Such promotional service offerings will be filed with the Commission for approval with copies provided to the ORS, subject to the requirements of applicable law.”

Section 6—Rates and Charges

--The Company should include rates for services described in the tariff. The Interexchange Tariff submitted to the PSC contains no rates.

Additional Recommendations for Local Exchange Tariff

- 1) The Company should include language as it relates to Marketing Practices (SC PSC Order 95-658).**

As a telephone utility under the regulation of the Public Service Commission of South Carolina, the Company hereby asserts and affirms that as a reseller of intrastate telecommunications service, the Company will not indulge or participate in deceptive or misleading telecommunications marketing practices to the detriment of consumers in South Carolina, and the Company will comply with those marketing procedures, in any, set forth by the Public Service Commission. Additionally, the Company will be responsible for the marketing practices of its contracted telemarketers for compliance with this provision. The Company understands that violation of this provision could result in a rule to Show Cause as to the withdrawal of its certification to complete intrastate telecommunications traffic within the state of South Carolina. (Commission Order 95-658)

- 5) If the Company charges any installation, connection, or maintenance charges, termination charges, etc. (in addition to the services listed in the tariff). These additional charges and the descriptions of the charges should be listed in the tariff with their current and maximum rates.**
- 6) The Company is applying for Alternative Regulation. Therefore, The Company will include maximum rates as well as current rates for any *residential* services within the Interexchange Tariff.**
- 7) The Company should also provide tariffs and tariff revisions to the South Carolina Public Service Commission as well as the South Carolina Office of Regulatory Staff (SC Reg. 103-629).**

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2008-16-C

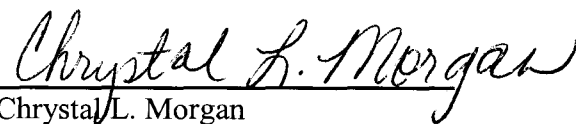
IN RE: Application of Kentucky Data Link,)
 Incorporated to Provide Resold and Facilities-)
 Based Local Exchange and Interexchange) **CERTIFICATE OF**
 Telecommunications Services Throughout) **SERVICE**
 South Carolina

This is to certify that I, Chrystal L. Morgan, have this date served one (1) copy of the **SETTLEMENT AGREEMENT** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

John J. Pringle, Jr., Esquire
Ellis, Lawhorne & Sims, P.A.
Post Office Box 2285
Columbia, SC, 29202

Anthony D. Gillette, Esquire
Kentucky Data Link, Incorporated
8829 Bond Street
Overland Park, KS, 66214

Margaret M. Fox, Esquire
McNair Law Firm, P.A.
Post Office Box 11390
Columbia, SC, 29211


Chrystal L. Morgan

April 10, 2008
Columbia, South Carolina